

# Department of Regulatory Agencies SMART Act Hearing

Joint Business Committees  
January 21, 2022



**COLORADO**  
Department of  
Regulatory Agencies

# DORA's Mission & Vision

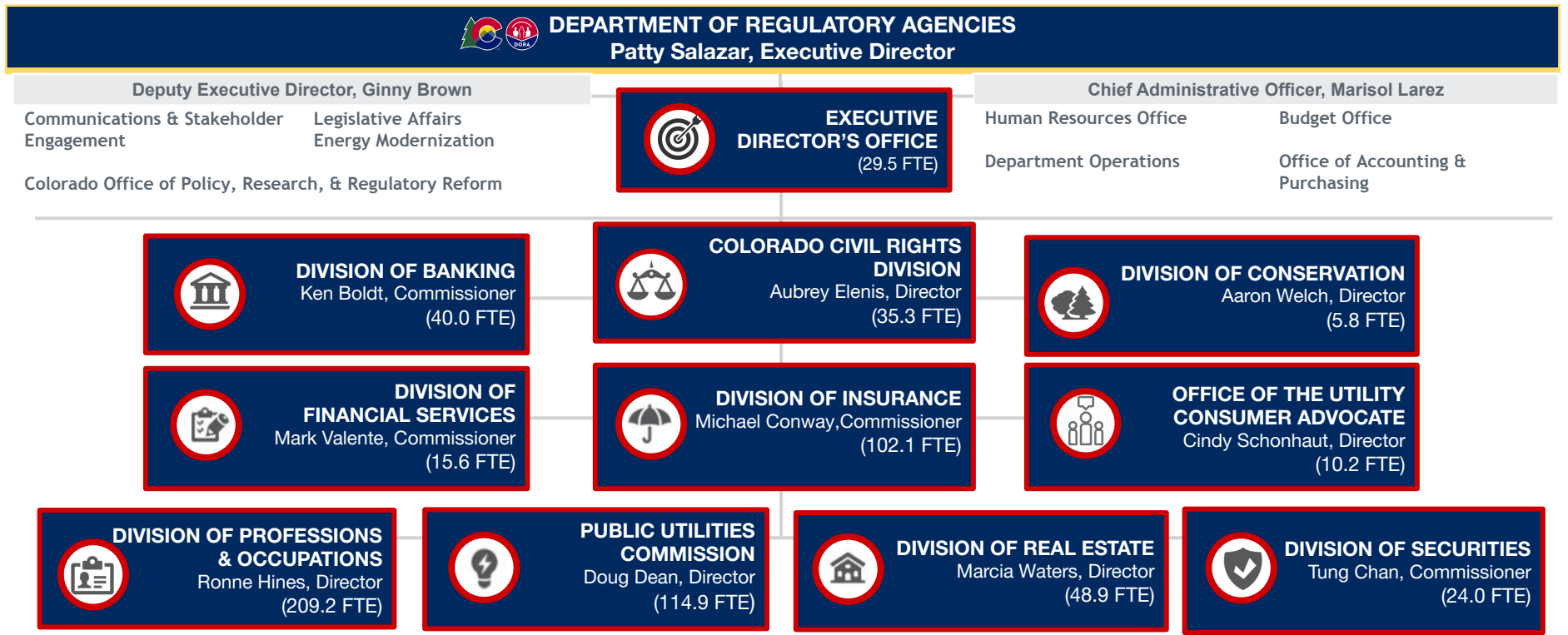
The **Department of Regulatory Agencies** (DORA) is dedicated to **preserving the integrity of the marketplace** and is committed to promoting **a fair and competitive business environment** in Colorado.

***Consumer protection is our mission.***

# DORA BY THE NUMBERS

- **635.5** FTE
- **\$126.6 M** Budget
- **40+** Boards, Commissions and Advisory Committees
- **50** Regulatory programs
- **907,000** individual licensees
- **65,000** regulated business and institutions

# DORA's Organizational Chart



# What DORA Regulates

## Financial Services



Accounting Firms  
Broker-Dealer Firms  
Broker-Dealer Sales  
Representatives  
Certified Public Accountants  
Investment Adviser Firms  
Investment Adviser  
Representatives  
Money Transmitters  
Mortgage Broker-Dealers  
Mortgage Loan Originators  
State-Chartered Savings & Loans  
State-Chartered Commercial

Banks

## Insurance

Insurance Agents/Brokers  
Insurance Companies

## Real Estate, Buildings & Repair



Appraisers  
Architects  
Electricians  
Engineers  
Homeowners Associations (via HOA  
Information and Resource Center)  
Land Surveyors  
Landscape Architects  
Plumbers  
Real Estate Brokers

## Beauty

Barbers  
Barber/Cosmetology Shops  
Cosmetologists  
Estheticians  
Hair Stylists

Nail Technicians

## Healthcare & Wellness

Acupuncturists  
Addiction Counselors  
Athletic Trainers  
Audiologists  
Chiropractors  
Dental Hygienists  
Dentists  
Direct-entry Midwives  
Hearing Aid Providers  
Marriage and Family Therapists  
Massage Therapists  
Naturopathic Doctors  
Nurses  
Nursing Home Administrators  
Occupational Therapists/Occupational  
Optometrists  
Pharmacists  
Pharmacies  
Physical Therapy  
Physicians (all types)  
Physician Assistants  
Professional Counselors  
Psychiatric Technicians  
Psychologists  
Respiratory Therapists  
Speech Language Pathologists  
Social Workers  
Surgical Assistants/Surgical Technologists

## Transportation



Children's Activity and Charter Buses, Limousines,  
Off-road Charters, Moving Companies (household  
goods), Non-consensual Towing, Passenger  
Tramways, Shuttles, Taxis and Transportation  
Network Companies (TNC's)  
Public Highway Railroad Crossings  
Rail Fixed Guideway (RFG)



## Utilities

Investor-owned electric, gas,  
steam and water  
Some telecommunications

Services

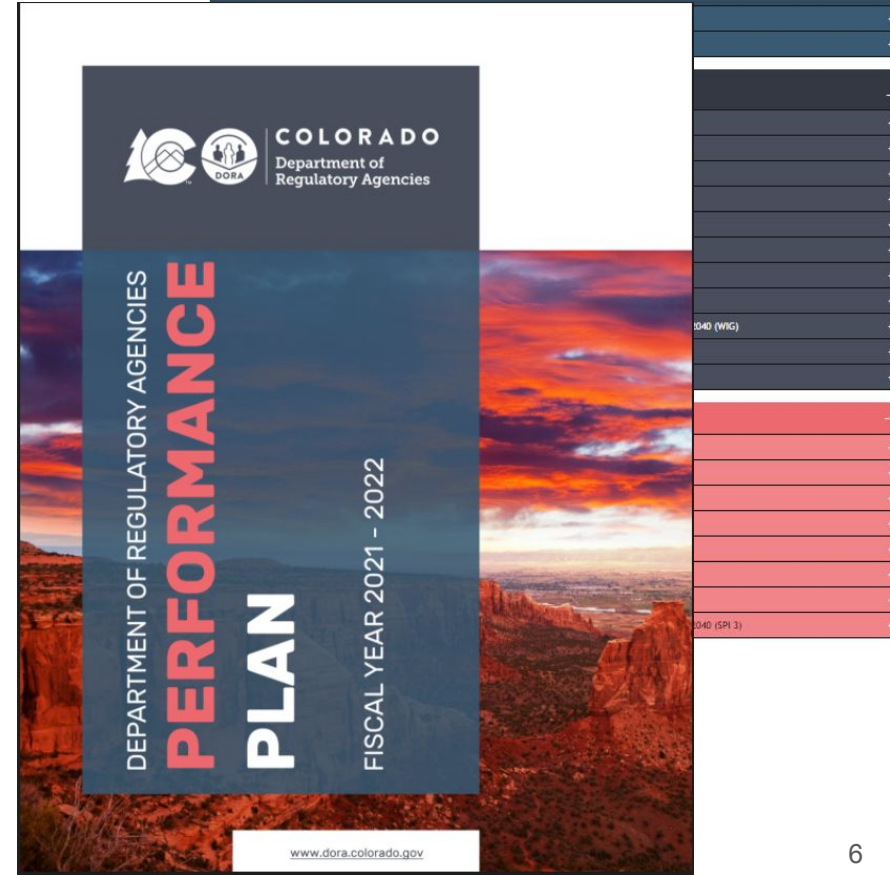
## Other

Bail Bonds/Bail Bonds Agents  
Boxing  
Conservation Easement Holders  
Conservation Easement Tax Credits  
Funeral Homes, Crematories  
Medicare Assistance - home of State Health Insurance  
Assistance Program (SHIP)  
Medicare Assistance - Senior Medicare Patrol (SMP)  
Outfitters  
Enforce anti-discrimination laws



# DORA Performance Management Philosophy

- Bottom-up Approach
- Results-driven
- Accountability
- Communication
- Transparency



# DORA's FY 2021-22 Wildly Important Goals (WIGs)

1

## **Modernize the Administration and Governance of Boards and Commissions**

Modernize the administration and governance of more than 40 boards and commissions within DORA by completing 100% of phase two of a three-phase plan by June 30, 2022, in order to ensure statutory compliance and improved collaboration with the department through consistent training, compliance with statutory mandates, and the priority of the public interest.

2

## **PUC Modernization Implementation - Continuous Improvement**

Complete phase-two implementation of the PUC Operational Modernization Plan from 0 to 100% by June 30, 2022 in an effort to support the Governor's goal of 100 percent renewable energy resources by 2040. The plan includes ongoing operational strategies related to public safety enhancements; Fixed Utilities process enhancements; and strengthened Commission support.

3

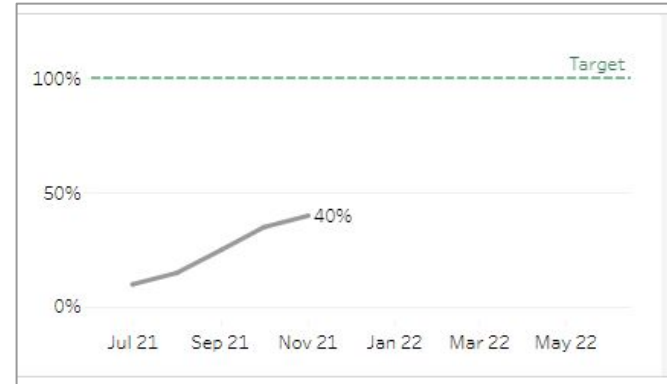
## **Economic Recovery for Businesses, Professionals, & Consumers**

Implement the Department's economic recovery plan from 0 to 100% by June 30, 2022, monitoring and maintaining progress through June 30, 2024. The plan includes support for rural economies and small businesses, and a reduction in regulatory barriers in occupational licensing for skilled non-citizens.

# DORA's FY 2021-22 Wildly Important Goals (WIGs)

## Modernize the Administration and Governance of Boards and Commissions

Modernize the administration and governance of more than 40 boards and commissions within DORA by completing 100% of phase two of a three-phase plan by June 30, 2022, in order to ensure statutory compliance and improved collaboration with the department through consistent training, compliance with statutory mandates, and the priority of the public interest.

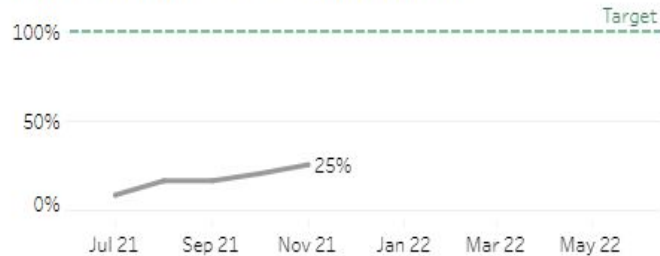




# How DORA will accomplish the WIGs:

## Modernize the Administration and Governance of Boards and Commissions

Conduct an annual (March 2022) survey to assess efficiencies and effectiveness of strategies implemented from the March 2021 survey and February 2021 assessment activities.



### Benefit:

Institutionalizing an annual survey with more than 300 Board and Commission members will address any gaps in training and onboarding and ensure that there is a formal channel of communication between department staff and appointees.

# How DORA will accomplish the WIGs:

## Modernize the Administration and Governance of Boards and Commissions

### Benefit:

A comprehensive, and uniform baseline of resources and administrative procedures across the department increases the confidence of appointees to serve effectively in their appointed role.

Create platform and resources for divisions to ensure they have a comprehensive set of administrative procedures for Board and Commission compliance with statutes addressing consistent training and onboarding strategies, certification of compliance, and strategic recruitment methods by June 30, 2022.



# How DORA will accomplish the WIGs:

## Modernize the Administration and Governance of Boards and Commissions

Provide annual Equity, Diversity and Inclusion training for Board and Commission members, to be completed by June 30, 2022.



### **Benefit:**

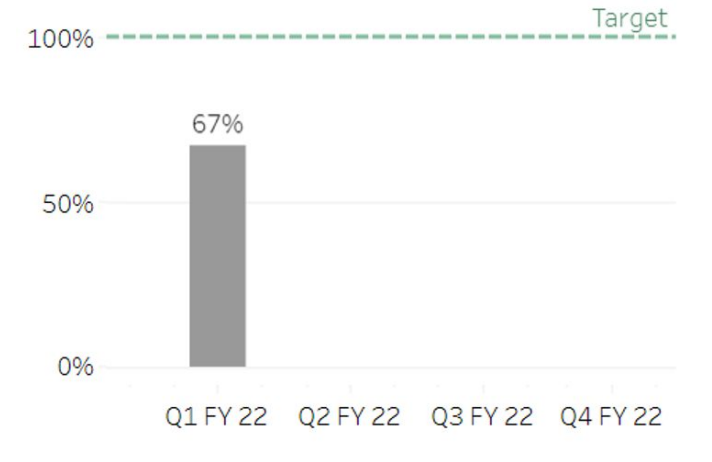
Equity, Diversity and Inclusion is both an individual and collective responsibility. By providing training to our more than 300 board members will help to improve public outcomes for all Coloradans.

# DORA's FY 2021-22 Wildly Important Goals (WIGs)

## PUC Modernization Implementation - Continuous Improvement

Complete phase-two implementation of the PUC Operational Modernization Plan from 0 to 100% by June 30, 2022 in an effort to support the Governor's goal of 100 percent renewable energy resources by 2040. The plan includes ongoing operational strategies related to public safety enhancements; Fixed Utilities process enhancements; and strengthened Commission support.

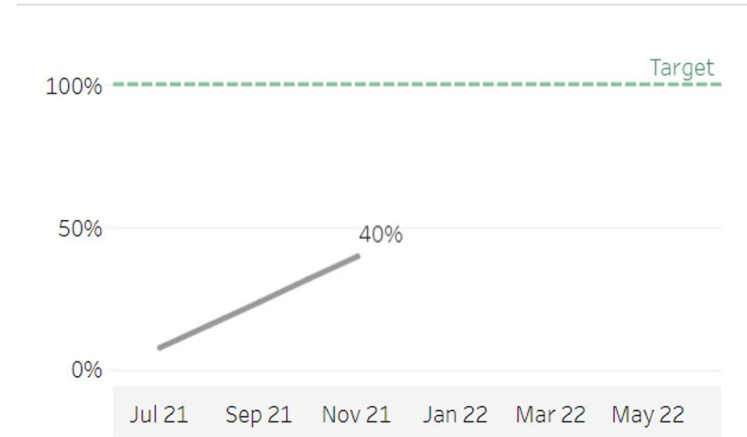
<https://puc.colorado.gov/puc-modernization-plan>



# DORA's FY 2021-22 Wildly Important Goals (WIGs)

## Economic Recovery for Businesses, Professionals and Consumers

The Department will implement their economic recovery plan by June 30, 2022. The plan includes support for rural economies and small businesses and a reduction in regulatory barriers in occupational licensing for skilled non-citizens.



# More information

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#).

For more information on additional DORA goals, view our FY 2021-22 Performance Plan at: [operations.colorado.gov/performance-management/department-performance-plans](https://operations.colorado.gov/performance-management/department-performance-plans)

# DORA FY 2022-23 Budget Request

## FY 2022-23 Budget Snapshot

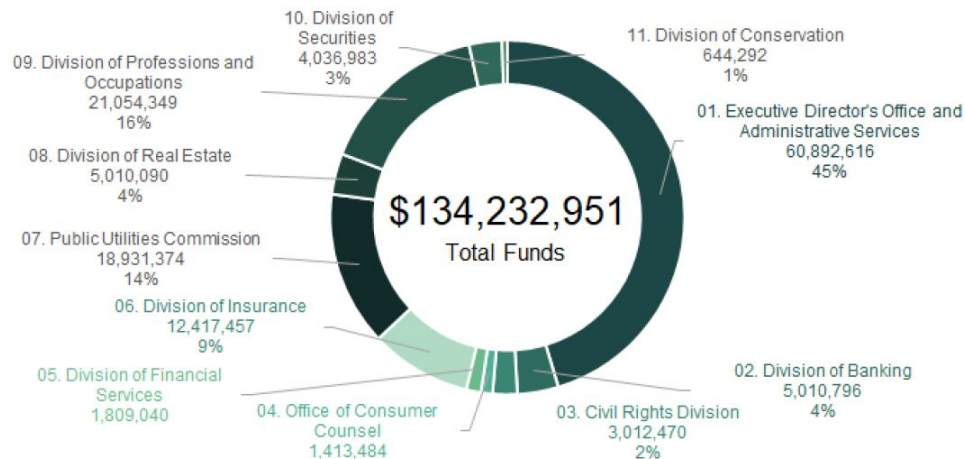
FY 2022-23 Total Funds: **\$134.2M**

FY 2022-23 General Fund: **\$3.0M**

FY 2022-23 FTE: **650.8**



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# DORA FY 2022-23 Budget Requests

## **DORA's FY 2022-23 Budget Request includes the following:**

- Implementation of Primary Care and Maternal Health APMs (\$250,000)
- Increase Executive Director's Office Resources (\$0 and 5.0 FTE)
- Reduce Disabled Telephone Payments Appropriation (-\$59,542)

## **DORA's request does not include any fiscal stimulus items**

- DORA has not received Stimulus Funds
  - Will continue to track to understand future impacts on the Department.



# Legislative Highlights

The Department respectfully requests the General Assembly consider legislation on the following:

- Clarify the inspection authority of the Office of Funeral Home and Crematory Registration in order to ensure compliance of laws and regulations
- Update and clarify the sunset review process
- Update the sunrise review process in order to remove unnecessary and outdated application requirements and add additional flexibility through added application deadlines

# 2022 Regulatory Agenda

## 188 Rules identified for action on behalf of the Department:

- Division of Professions and Occupations: PDMP, Compact, Individual Professions
- Division of Securities: Investment Advisor continuing education and uniform policies for compliance etc.
- Public Utilities Commission: Renewable Energy Standards, Pipeline Safety, Transmission planning etc.
- Percentage breakdown of rules department-wide
  - New Rules - 29%
  - Revised Rules - 50%
  - Repealed Rules - 13%

# HB18-1250 Analysis

- 11 agencies responded
- More than 100 Rules were identified
- Agencies do prioritize the ability to cure minor violations

# Equity, Diversity, and Inclusion (EDI)



In accordance with the **Governor's Executive Order [2020 175](#)**, the Department is implementing an EDI Action Plan to improve **equity, diversity, and inclusion**, including efforts to:

- Continue implementation of **EDI training** for supervisors, executive leadership, and Boards and Commission members.
- Establish division **stakeholder engagement plans** to ensure inclusive, meaningful, focused engagement with respective industry and community stakeholder groups.
- Enhance the **department's websites** and making changes with customer experience in mind, including evaluating and making improvements related to **websites accessibility**.

# Division of Conservation Registry of Conservation Easements

Information shared with Colorado State University's COMaP registry of conservation easements pursuant to 12-15-106(13)(c) C.R.S.

- Conservation easements donated 2011-2021
- Location and acreage by county
- Names of grantor and grantee
- Holder's certification status
- Conservation purposes of the easements
- Whether a tax credit was issued

More than 675,000 acres conserved in 53 counties across the state.

# Public Utilities Commission

## High Cost Support Mechanism(CHCSM)

- Fund was originally created to assist providers offer affordable basic service in high cost areas.
- SB 18-002 repurposed the fund and directed increasing support to broadband investment while reducing support to basic service over a 5 year transition period (2019-2023). In 2024, all surcharge proceeds will transfer to the Broadband Fund.
- Since 2015, transfers from the CHCSM for broadband investment have been \$58.4 million (estimated through 2021)
- A 2.6% surcharge to intrastate retail revenues during the 5 year transition period applies, with approximately 200 providers paying into the Fund.
- Since 2019 and continuing through 2021, collections from the surcharge have been dropping more than was anticipated with decreased funds transferring to the Broadband Fund.
- 2022 is the fourth year of the SB 18-002 transition with CenturyLink QC/LUMEN receiving 10% of the collected surcharge and is its final year of support.

# Office of the Utility Consumer Advocate

Director Cindy Schonhaut



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Office of the Utility Consumer Advocate

# Office of the Utility Consumer Advocate

The mission of the Office of the Utility Consumer Advocate (UCA), is to represent the public interest and, in particular, the interests of residential, small business, and agricultural consumers in utility rate and rulemaking proceedings before the Public Utilities Commission (PUC), federal agencies, and the courts.

The UCA focuses its efforts on safe, reliable, and affordable utility service and long and short-term customer impacts, while giving due consideration to statutory decarbonization goals, just transition, and environmental justice.



# Office of the Utility Consumer Advocate

## **FY21 7 FTE's**

- 1 Director
- 1 Deputy Director
- 4 Rate/Financial Analysts
- 1 Administrative Assistant

## **2021 Highlights**

- Sunset Review and Reauthorization
- Advocacy and Response to COVID-19
- Advocacy and Response to Winter Storm Uri
- Support for Black Hills Electric renewable energy solicitation (200MW)

# Division of Insurance

Michael Conway, Commissioner



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Division of Insurance

# Update on Division of Insurance Programs

- Reinsurance Program (HB19-1168, SB20-215)
- Colorado Option (HB21-1232)
- Insurer Use of Big Data/Artificial Intelligence (SB21-169)

# Colorado's Reinsurance Program: Key Components

## Program Goals

- Reduce health insurance premium prices for Coloradans who buy insurance on the individual market
- Lower premiums more in areas of the state where insurance prices are highest
- Stabilize and strengthen Colorado's individual insurance market

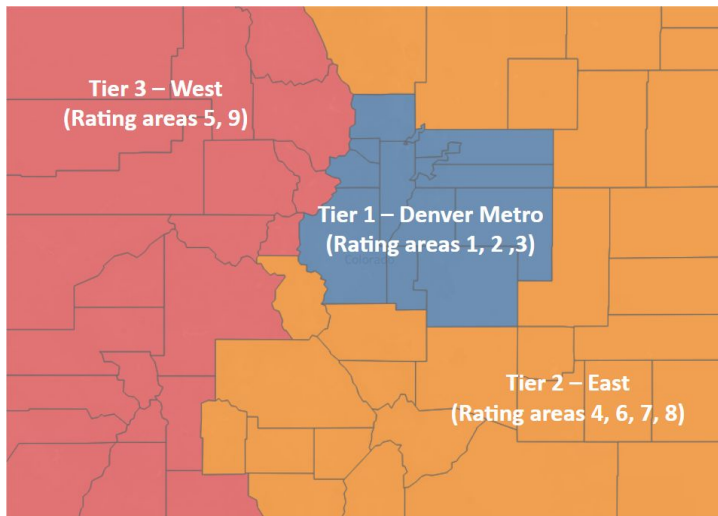
## Legislative & Operating Authority

- Established as a 2 year program under HB 19-1168 (2020-2021)
- Extended 5 years under SB 20-215 (2022-2026)
- Operates under a CMS Section 1332 State Innovation Waiver; amendment approved on August 13, 2021
- Administered by the Colorado Division of Insurance

## Program Funding

- Combination of federal "pass-through" funds (federal savings) and funding through SB 20-215 (CO Health Insurance Affordability Enterprise)

# Colorado's Reinsurance Program Lowers Premiums



	Tier 1	Tier 2	Tier 3
	Areas 1, 2, & 3 (Denver Metro)	Areas 4, 6, 7, & 8 (East)	Areas 5 & 9 (West)
Year 1 (2020) Premium Savings	18.0%	23.5%	29.5%
Year 2 (2021) Premium Savings	17.0%	22.9%	36.9%
Year 3 (2022) Premium Savings	20.7%	27.6%	36.4%

# Colorado Option: Key Components

Creates a **standardized plan** for Colorado

- Provides first dollar coverage for certain high value benefits (i.e. primary care and behavioral health)
- Designed to reduce racial health disparities, improve perinatal care, and improve the cultural responsiveness of the network

Requires standardized plans to **reduce premiums**

- By 15% over three years (5% per year) beginning in 2023
- After 2025, premiums can only increase by inflation

Allows Colorado to capture federal premium tax credit savings to make **coverage more available and affordable**

# Colorado Option: Implementation

## Standardized Plan + Culturally Responsive Provider Network



Held **18** public stakeholder meetings between July - November



Reached **over 200** stakeholders (on average)



Standardized plan emergency regulation adopted 12/1/21

Network adequacy regulation adopted 1/11/22

Standardized plan permanent regulation hearing on 1/18/22

## Premium Rate Reduction Targets



Held 1st public stakeholder meeting on 12/15/21 and 2nd meeting on 1/13/22



Reached **over 50** stakeholders at each meeting



Draft methodology report published on 12/13/21

Premium reduction emergency regulation in progress - expected to be adopted at the end of Feb 2022

## 1332 Waiver Amendment



Held an extended public comment period (10/15/21-11/22/21) and **2** public hearings on 11/9/21 & 11/10/21.



Reached **over 60** stakeholders during public hearings



Application submitted 11/30/21

Application deemed complete on 1/3/22

# Insurer Use of Big Data/Artificial Intelligence: Key Components

## Program Goals

- Protect Colorado consumers from insurance practices that result in unfair discrimination on the *basis of race, color, national or ethnic origin, religion, sex, sexual orientation, disability, gender identity, or gender*
- Requires insurers to stress test their big data systems and take corrective action to address consumer harms identified

## Legislative Authority

- Division directed to work with stakeholders to develop rules for insurers to demonstrate they are testing their big data systems for unfair discrimination
- Separate stakeholder meetings will be held to address specific types of insurance (i.e., life, auto, health) and specific insurance practices (i.e., underwriting, marketing, claims management)



# Insurer Use of Big Data/Artificial Intelligence: Implementation

- Stakeholder meetings to begin early 2022
- Any rules developed through this process will not be effective until January 1, 2023, at the earliest
- The Division has created a website for information, resources, and updates:
  - [SB21-169 - Protecting Consumers from Unfair Discrimination in Insurance Practices](#)

# Questions?



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# Colorado Public Utilities Commission State of 9-1-1 Report Summary

Joint Business Committees  
January 21, 2022



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Public Utilities Commission

# Key Points

- The implementation of HB 20-1293, which created the state's first state 9-1-1 surcharge, is complete, and funds are being distributed monthly to Colorado's 9-1-1 centers.
- The deployment of Colorado's first Emergency Services IP-Network (ESInet) is nearly complete.
- 9-1-1 network outages in 2021 were on par with the number of outages in 2020.
- Colorado remains in the minority of states that have no minimum training standards or minimum operations standards for 9-1-1 centers.

# Regulatory Authority of the PUC Regarding 9-1-1

Regulated	Limited Regulation	Not Regulated
<p>The middle portion of the call flow handled by the Basic Emergency Service Provider, otherwise known as Basic Emergency Service</p> <p>The State 9-1-1 Surcharge</p>	<p>The Wireless Prepaid 9-1-1 Charge</p> <p>Local Emergency Telephone Charges</p>	<p>Originating Service Providers</p> <p>9-1-1 Call Centers</p> <p>Emergency Notification Systems</p>



# 9-1-1 Entities

83

Primary Public Safety Answering Point. These are 9-1-1 call centers that take 9-1-1 calls directly from the public.

4

Secondary Public Safety Answering Point. These are 9-1-1 call centers that take 9-1-1 calls, but only if transferred to them from a primary answering point.

58

9-1-1 Governing Bodies. These are local governmental entities, usually formed by an intergovernmental agreement, that collects emergency telephone charges and uses them to pay for public safety answering point operations.



# 9-1-1 Call Statistics

88.3%

Portion of 9-1-1 calls in Colorado that originate from wireless phones. Calls from wireline and Voice-over-Internet-Protocol phones amount to 11.7% of 9-1-1 calls.

279,500

Average number of 9-1-1 calls processed in Colorado *every month*. Colorado is on track to process roughly 3.3 million 9-1-1 calls this fiscal year.

1,780

Persons employed as public safety telecommunicators (9-1-1 call takers and dispatchers) in Colorado, per the U.S. Bureau of Labor Statistics



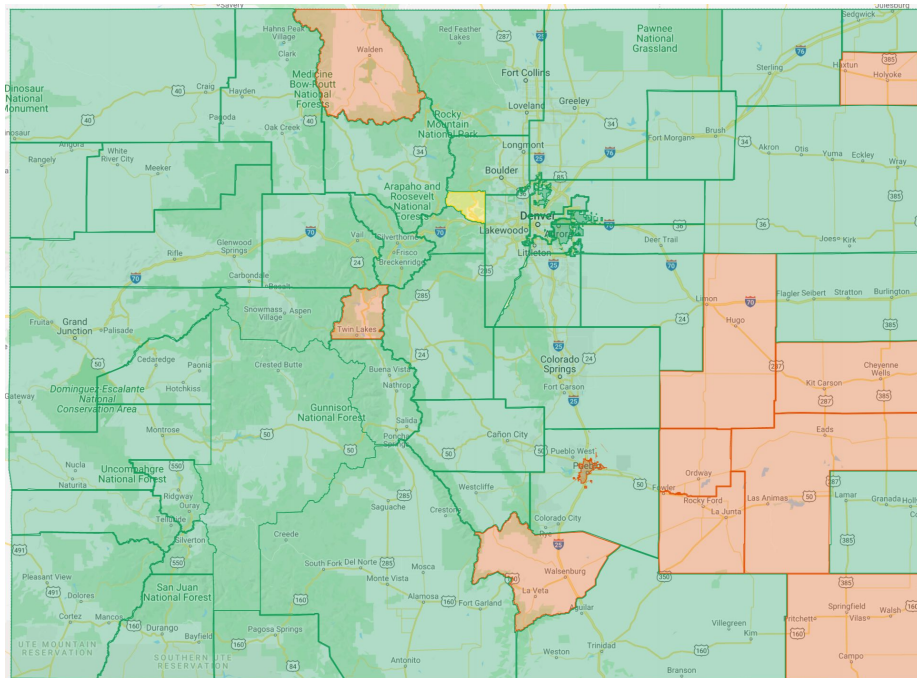
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# The Current State of 9-1-1

- 100% coverage of 9-1-1 service anywhere in the state that a 9-1-1 call can be made.
- Enhanced 9-1-1 for landline callers is available everywhere in the state.
- Enhanced 9-1-1 for wireless callers is available everywhere callers can get a cell signal.
- By population, 99% of the public has access to text-to-911 in Colorado.



# Text to 9-1-1 Deployment



Green - text-to-911 available at all PSAPs serving this 9-1-1 governing body

Yellow - text-to-911 available for some PSAPs serving this 9-1-1 governing body

Red - text-to-911 not available at any PSAPs serving this 9-1-1 governing body



# The Goal: Next Generation 9-1-1

Next Generation 9-1-1 is an Internet Protocol-based 9-1-1 network that is:

- More resilient and flexible than legacy 9-1-1 networks
- Capable of delivering any type of data to the call center
- Able to incorporate new types of communication technology
- Resistant to obsolescence of technological components
- Able to provide a more consistent experience to callers

# Migration to an Emergency Services IP Network

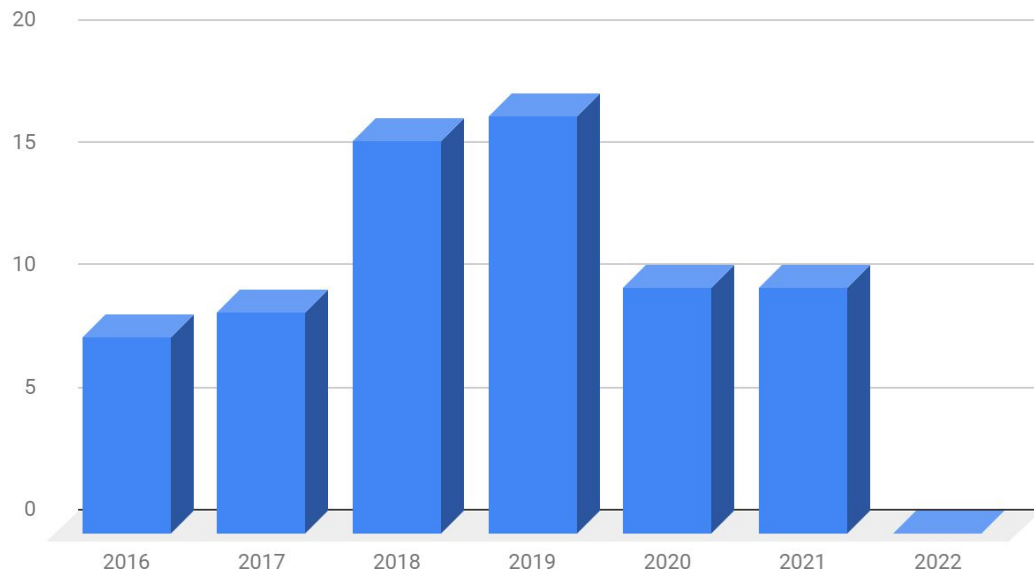
An Emergency Services IP-Network (ESInet) is the first step in Next Generation 9-1-1 deployment.

- Deployment of Colorado's first ESInet is essentially complete, with only two call centers left to migrate to the new network.
- With this stage of NG9-1-1 implementation complete, the 9-1-1 community is working with Commission staff to develop a strategic plan for future development.
- Colorado's ESInet deployment was almost entirely funded by a federal grant and non-state matching funds.

# 9-1-1 Network Reliability

- In 2021, we saw the fewest number of 9-1-1 network outages since 2017 (9 total for the year).
- Despite this, ensuring 9-1-1 network reliability remains a top priority.
- The Commission is currently issuing a Notice of Proposed Rulemaking to strengthen 9-1-1 network reliability requirements.
- *Not all portions of the 9-1-1 call flow are within the Commission's jurisdiction to monitor.*

# Basic Emergency Service Outages by Calendar Year



Outages by Year, current YTD

Outages in 2021 (10) matches the number of outages in 2020, and are the lowest number of outages in a given year since 2017.



# Outage Special Investigations

- The 9-1-1 Advisory Task Force conducts special investigations into outages that meet specific threshold criteria.
- CenturyLink has been participating in these investigations.
- 12 special investigations have been initiated since the Task Force began this practice in July of 2019.
- Investigations are available on the 911 Task Force website and include recommendations for reducing the likelihood impact of future outages.

# Funding Sources and Revenues

Source	Rate	Revenue
State 9-1-1 Surcharge	\$0.10 per line per month in 2021 \$0.09 per line per month in 2022	~ \$6 million annually
Local Emergency Telephone Charges	Varies from \$0.70 per line per month to \$3.00 per line per month	~ \$79.4 million in 2020
Prepaid Wireless 9-1-1 Charge	1.4% of each transaction in 2020 \$1.38 per transaction in 2021 \$1.63 per transaction in 2022	~ \$2.3 million in 2020 ~ \$12 million in 2021
Local county and municipal general funds	Any 9-1-1 expense not funded by the above charges must be paid by local governments. This amounts to roughly 54% of all 9-1-1 costs.	~ \$96.5 million in 2020 (based on survey data)

# Challenges Facing 9-1-1 in Colorado

1. The continuing need to upgrade the 9-1-1 system to meet consumer expectations.
2. A lack of minimum standards for PSAP operation, including minimum training standards.
3. No clear path toward consistent statewide cybersecurity defense at local PSAPs.
4. No clear path toward a statewide GIS dataset for NG9-1-1.
5. Lack of visibility into the reliability of the full 9-1-1 call flow.
6. Changing federal regulations regarding use of 9-1-1 fees.





# Conclusion

Please visit the Colorado 9-1-1 Program's New Website:

<https://sites.google.com/state.co.us/colorado911program/home>

Also accessible through the Public Utilities Commission website.

# Questions?



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